Table A19. Equations for current-fund expenditures per full-time-equivalent enrollment and educational and general expenditures per full-time-equivalent enrollment in public 4-year institutions and public 2-year institutions

Dependent Variable	Equation					R^2	Durbin-Watson statistic[1]	Estimation technique[2]	Time period
Current-fund expenditures per student in public 4-year institutions	DPUTCUR4	=	251.9 (5.06)	+ 3.15DSTREV1 (3.10)	- 1.69DPUFTE4 (-5.36)	0.667	1.89	OLS	1968–69 to 1999–2000
			- 220DUMMY (-3.22)						
Current-fund expenditures per student in public 2-year institutions	DPUTCUR2	=	15.8 (0.59)	+ 3.56DSTREV1 (5.79)	- 0.73DPUFTE2 (-5.07)	0.749	2.24	OLS	1968-69 to 1999-2000
Educational and general expenditures per student in public 4-year institutions	DPUED4	=	182.3 (3.70)	+ 2.85DSTREV1 (2.84)	- 1.70DPUFTE4 (-5.47)	0.649	1.40	OLS	1968-69 to 1999-2000
			- 222DUMMY (-3.38)						
Educational and general expenditures per student in public 2-year institutions	DPUED2	=	8.7 (0.30)	+ 3.62DSTREV1 (5.55)	- 0.61DPUFTE2 (-3.94)	0.696	1.95	OLS	1968-69 to 1999-2000

[1]For an explanation of the Durbin-Watson statistic, see J. Johnston, *Econometric Methods,* New York: McGraw-Hill, 1972, pages 251–252.

[2]AR1 indicates an estimation procedure for correcting the problem of first-order autocorrelation. OLS indicates Ordinary Least Squares. For a general discussion of the problem of autocorrelation, and the method used to forecast when correcting for autocorrelation, see G. Judge, W. Hill, R. Griffiths, H. Lutkepohl, and T. Lee, *The Theory and Practice of Econometric,* New York: John Wiley and Sons, 1985, pages 315–318.

Where:
DPUTCUR4 = Change from the previous year in current-fund expenditures per student in full-time-equivalent (FTE) enrollment in public 4-year institutions in constant dollars
DPUTCUR2 = Change from the previous year in current-fund expenditures per student in FTE enrollment in public 2-year institutions in constant 1982–84 dollars
DPUED4 = Change from the previous year in educational and general expenditures per student in FTE enrollment in public 4-year institutions in constant 1982–84 dollars
DPUED2 = Change from the previous year in educational and general expenditures per student in FTE enrollment in public 2-year institutions in constant 1982-84 dollars
DSTREV1 = Change from the previous year in the sum of personal tax and nontax receipts for state and local governments and indirect business taxes and tax accruals, in constant 1982–84 dollars lagged one year
DSTREV1 = Change from the previous year in the sum of personal tax and nontax receipts for state and local governments and indirect business taxes and tax accruals, excluding property taxes, to state and local governments, per capita, in constant 1982–84 dollars lagged one year
DPCI = Change from the previous year in disposable income per capita in 1992 dollars
DPUFTE4 = Change from the previous year in FTE enrollment in public 4-year institutions in thousands of students
DPUFTE2 = Change from the previous year in FTE enrollment in public 2-year institutions in thousands of students
DUMMY = Dummy variable equaling 1 when the inflation rate is greater than 8 percent and 0 otherwise

SOURCE : U.S. Department of Education, National Center for Education Statistics, Higher Education Expenditure Models.

(This table was prepared July 2003.)